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Washington report, vol. 12 no.15, June 6, 1983

American Institute of Certified Public Accountants.

AICPA Washington Report

June 6, 1983, Volume XII, Issue 15

FEDERAL DEPOSIT INSURANCE CORPORATION

Some restrictions placed on the disclosure of financial records and information to federal financial institutions supervisory agencies have been removed as the result of a final rule adopted by the FDIC (see the 5/31/83 Fed. Reg., pp. 24031-32). This rule, according to the FDIC, will bring their rules in conformity with current law which permits the exchange of records and information regarding financial institutions and between federal financial institutions supervisory agencies. For additional information contact MaryBeth Triano at 202/289-4151.

The FDIC Board of Directors recently authorized publication of the Corporation's semi-annual agenda of regulations for April 1983 (see the 5/18/83 Fed. Reg., pp. 22319-23). The release, intended to inform the public of FDIC regulatory actions and enhance public participation in the rulemaking process, reflects 25 final or potential changes to the Corporation's rules and regulations. The agenda gives a summary of each topic under review and lists the name and telephone number of a staff member who can be contacted for additional information. Copies of the agenda are available from the FDIC, Office of Public Information, 550 17th Street, N.W., Washington, D.C. 20429.

NATIONAL CREDIT UNION ADMINISTRATION

The NCUA recently issued final regulations which change the definition of low-income credit unions to include those that predominantly serve students (see the 5/23/83 Fed. Reg., pp. 22900-902). The change will enable those credit unions to accept insured share accounts from non-members, including local businesses, philanthropic organizations and others. These funds may in turn be used for loans to student members. As part of the regulatory change, the NCUA defined a student as "any member enrolled as a full-time or part-time student in a college, university, high school or vocational school." For additional information contact Harry Blaisdell at 202/357-1055.

SECURITIES AND EXCHANGE COMMISSION

The SEC's first local forum to explore the problems of small business will be held in Washington, D.C., on 6/7/83, at 9:30 a.m. in the Commission's meeting room, 450 Fifth St., N.W. Witnesses will include representatives of the American Stock Exchange, the National Association of Securities Dealers, small business entrepreneurs, attorneys, and accountants concerned with small business issues. These witnesses will, according to the SEC, have the opportunity to present their views on problems and suggested solutions in such areas as tax provisions, extension of credit, access to financial institutions, and raising capital through the sale of securities. The results of each round of local hearings will be summarized in a report to Congress from the forum's Executive Committee, which will include proposed changes in laws and regulations. Conclusions will also be presented to the appropriate regulatory agencies intended to provide guidance in policy decisions affecting small businesses through the 1980's. Executive Committee members include Samuel A. Derieux, Past President of the AICPA, and representatives of government and business. Subsequent forums will be held in Houston on 6/14/83; in St. Louis on 6/21/83; and, in Boston on 7/12/83. For additional information contact Kelly Kuwayama at 202/272-2650.

Oil and Gas Producers -- Full Cost Accounting Practices is the subject of a re-opening of period for comment by the Commission. Re-opening the comment period for proposed amendments to its rules for the application of the full cost method of accounting for oil and gas producers was warranted, according to the SEC, because of the substantial proportion of comments received subsequent to the original deadline. Originally, the SEC proposed amendments on 12/21/82, by issuing Release No. 33-6445. These amendments consisted of two alternative sets of rules for determining when capitalized costs may be excluded from immediate amortization. Comments are requested by 6/30/83. For additional information contact M. Elizabeth Rader or John W. Albert at 202/272-2130.

TREASURY, DEPARTMENT OF

Personal service corporations and reallocation of income, deductions, credits, and exclusions between it and employee-owners is the subject of a public hearing on proposed regulations (see the 6/2/83 Fed. Reg., pp. 24736-37). Specifically, the proposed regulations will be applicable if the personal service corporation was formed or availed of primarily to evade or avoid federal income taxes. The public hearing will be held on 7/19/83, at 10 a.m., in the IRS' 7th floor auditorium, 1111 Constitution Avenue, N.W., Washington, D.C. Requests to speak and outlines of oral presentations should be submitted to the Commissioner of the IRS prior to 7/5/83. For further information contact Lou Ann Craner at 202/566-3935.

Proposed regulations intended to provide guidance in complying with the top-heavy provisions of the 1982 Tax Equity and Fiscal Responsibility Act will be the subject of an 8/5/83 IRS public hearing (see the 5/31/83 Fed. Reg., p. 24092). The proposed rules issued by the IRS on 3/14/83, would also amend IRS regulations relating to certain retroactive plan amendments (see the 3/21/83 Wash. Rpt.). The proposal would affect sponsors of, and participants in, pension, profit sharing, and stock bonus plans. The changes to IRS rules on certain retroactive plan amendments would allow the same time for amending a plan to conform with ERISA. The hearing is scheduled to begin at 10 a.m. in the IRS Auditorium. Outlines of oral comments should be submitted by 7/22/83. For additional information contact Lou Ann Craner at 202/566-3935.

IRS penalties for substantial understatement of income tax liability, enacted as a part of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), will be the subject of an IRS hearing on 7/12/83 (see the 6/2/83 Fed. Reg., p. 24736). TEFRA, as enacted last year, mandated $17 billion in spending reductions and over $98 billion in revenue increases. Section 323, Penalty for Substantial Understatement, was intended to address those taxpayers not making a good faith effort to assess their proper tax liability. In March 1983, the IRS issued proposed regulations to implement the new tax penalty provisions, and Rev. Proc. 83-21, which outlined circumstances when a separate disclosure statement would not be required in order to reduce tax liability in measuring the penalty (see the 3/14/83 Wash. Rpt.). Outlines of oral comments must be delivered to the IRS by 6/28/83. The hearing will begin 7/12/83, at 10 a.m., in the 7th floor auditorium of the IRS Building in Washington, D.C. For additional information contact Lou Ann Craner at 202/566-3935.

The IRS recently proposed regulations relating to the treatment of contributions of partial interests in property for conservation purposes (see the 5/23/83 Fed. Reg., pp. 22940-49). The proposal is offered to conform tax regulations under section 170 of the code to section 6 of the Tax Treatment Extension Act of 1980. The Act made permanent a provision requiring that easements be perpetual in order to qualify for the deduction and provided the first in depth statements of congressional intent relating to donations of partial interests for conservation purposes. Donations of an easement to preserve open space are generally deductible if the preservation will yield significant public benefit and is either for scenic enjoyment of the public or pursuant to governmental policy. The IRS said that defining these guidelines "with any degree of precision is impossible," but that the proposal establishes a relationship between the requirements of significant public benefit and clearly delineated governmental policy in order to eliminate the uncertainty surrounding the statute. Comments are requested by 7/22/83. For additional information contact John Harman at 202/566-3287.

The 17-member Advisory Group to IRS Commissioner Roscoe L. Egger, Jr. will meet at the IRS National Office in Washington, D.C., on 6/29-30/83. The group meets periodically to discuss tax administration issues with the Commissioner and his senior staff officials. Appointments to the group, consisting of accountants, attorneys, business executives, educators, small business representatives and government officials, are made from nominations submitted from professional organizations in the tax field, IRS officials, and others interested in tax administration.

SPECIAL: ARMSTRONG AND KEMP INTRODUCE MEASURE DEALING WITH INTERNATIONAL FINANCIAL SYSTEM

A resolution "outlining a realistic approach to the current problems in the international financial system" was introduced on 5/24/83 by Sen. Bill Armstrong (R-CO). The resolution, S. Con. Res. 39, addresses two main areas of the international financial system: the IMF and the international loan portfolios of our country's commercial banks. Additionally, it calls for an international economic summit to specifically address the current monetary crisis. More specifically, the measure seeks to revise IMF conditions on its loans to encourage economic growth, require U.S. banks to adjust the value of loans on which interest payments are not received, and allow the U.S. banks to increase deductible loss reserves in order to make these writedowns without endangering the banking system. Rep. Jack Kemp (R-NY) has introduced a companion measure in the House, H. Con. Res. 130.

For additional information, please contact Jim Kovakas, Gina Rosasco, Nick Nichols or Kathee Baker at 202/872-8190.

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